

**Remarks for Small Business Committee Member Day Hearing,**  
**April 23, 2020**

I'd like to thank Chair Velazquez and Ranking Member Chabot for giving me the opportunity to give remarks before the Small Business Committee today.

Healthcare workers and officials in Colorado have responded admirably to the COVID-19 crisis, but there are a few easily-resolvable issues on the business side that could help maximize Colorado's healthcare response.

Many rural hospitals in Colorado are in the unique situation of being partially owned by the county or district under state law. While they function like non-profits, their ownership structure has created confusion about whether they are eligible for the PPP, as the Small Business Act prohibits government-owned entities from accessing Small Business Administration loans. I have written to the SBA to seek clarification on this issue and was told by the Administration's liaisons that they are [quote] "working on it."

Meanwhile, I have heard from at least two rural hospitals in my district that were approved for PPP loans and received the funds, but who have subsequently been cautioned by their attorneys against using those funds in the event they are deemed ineligible for the PPP program. Rural hospitals operate on extremely thin margins, and the PPP would be a lifeline for many of them. Unfortunately, because there has been a lack of clear guidance from the SBA, and the interim funding package was silent on this issue, county and district-owned hospitals are in limbo. We need clarity on this issue now, because we cannot afford for rural hospitals to close their doors in the midst of this pandemic.

I ask this Committee, Treasury, and the SBA to take up these concerns and come together to resolve this issue for rural hospitals and the many, many Coloradans who rely on them.

Thank you.